

Beijer Ref AB (publ)

The Board of Directors' proposal to implement a long-term share-based incentive program LTI 2023/2026 by (A) issuing call options for shares in Beijer Ref, (B) authorising the Board of Directors to resolve on acquisition of own shares, and (C) approving the transfer of repurchased shares to participants of the incentive program and hedging activities in respect thereof

The Board of Directors proposes that the Annual General Meeting resolves to adopt a long-term share-based incentive program LTI 2023/2026 (the "**Scheme**"), similar to the LTI 2021/2024 and LTI 2022/2025 implemented in 2021 and 2022, respectively (collectively with LTI 2023/2026 the "**Schemes**"), as set forth below. The Scheme, which will include around 120 key individuals in the Beijer Ref Group, in main includes that the participants will be given an opportunity to acquire from Beijer Ref AB (publ) ("**Beijer Ref**" or the "**Company**"), at market price, call options on class B shares of the Company, and that in connection with the acquisition of the call options, the participants will receive a subsidy in the form of a gross salary supplement corresponding to 50 per cent of the premium paid for the options. In order to hedge the undertakings and costs of Beijer Ref related to LTI 2023/2026, the Board of Directors further proposes that the Board of Directors be authorised to resolve on repurchase of shares and that the Annual General Meeting resolves on transfer of shares in Beijer Ref to the participants in LTI 2023/2026.

The Board of Directors' proposal regarding the Scheme has been prepared taking into account the Board of Directors' decision on a rights issue that was announced on 21 February 2023 and which is estimated to be completed before the 2023 Annual General Meeting (the "**Rights Issue**").

(A) Resolution to issue call options for shares in Beijer Ref

- (a) The number of call options to be issued pursuant to the Scheme shall be no more than 1,628,000 options, corresponding to approximately 0.32 per cent of the total number of shares (shares held by the Company included) and approximately 0.21 per cent of the total number of votes in the Company¹.
- (b) Each call option will entitle the holder to acquire from the Company one (1) class B share in the Company during the period from 15 May 2026 to 15 June 2026, inclusive. The acquisition of shares may not, however, take place during any period when trading in shares in the Company is prohibited in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) or any other equivalent legislation in force at any time.
- (c) The exercise (purchase) price for shares upon exercise shall correspond to 125 per cent of the volume-weighted average of the price paid for the Company's share at Nasdaq Stockholm during the five trading days immediately prior to the sale and transfer of the call options to the participants.
- (d) The right to acquire call options shall be granted to the CEO, the Executive Management at Beijer Ref and approximately 110 additional key individuals with the Beijer Ref Group who have a direct opportunity to influence the Group's profits and for who participation in the Scheme is deemed financially, administratively and

¹ Based on the total number of shares in Beijer Ref amounting to 509,085,926 and the total number of votes in Beijer Ref amounting to 760,691,366 after the Rights Issue has been completed.

practically justifiable. The CEO shall be able to buy no more than 100,000 call options and other members of Executive Management together with a number of Managing Director's for larger entities shall be able to buy no more than 35,000 call options per person. Other participants are divided into four categories according to position, the first group of which with approximately 20-30 participants shall be able to buy no more than 20,000 call options per person and the other groups with a total of approximately 80 participants in total shall be able to buy no more than, respectively, 10,000, 6,000 or 6,000 call options per person, depending on position.

- (e) If a person who is entitled to allocation declines to acquire the call options offered, either fully or partly, such non-acquired call options may be distributed pro rata between those entitled to allocation who have registered their interest in acquiring additional call options. A participant will not be permitted to purchase call options for more than 20 per cent of the participant's annual salary.
- (f) The Board of Directors shall finally confirm and resolve on the allocation of call options in accordance with the principles set forth herein, as well as the number of call options that will be offered within each category. Allocation is expected to take place during the second quarter of 2023.
- (g) The price (option premium) for the call options shall correspond to the market value of the call options at the time of the transaction, calculated independently by PwC Sverige, in accordance the Black & Scholes model. The variables of the Black & Scholes model will be determined based on the market conditions in connection with the sale and transfer of the call options.
- (h) The number of shares to which each call option provide entitlement to purchase, as well as the exercise (purchase) price, may be recalculated for such reasons as e.g. bonus issues, revers splits or splits of shares, new share issues, reduction of the share capital or similar measures, in accordance with standard terms and conditions for call options, established by the Board of Directors.
- (i) The call options are freely transferable. However, Beijer Ref will reserve a right, but not the obligation, to re-purchase the call options upon termination of employment or transfer to a third party, on customary terms and conditions, established by the Board of Directors.
- (j) During the exercise period, the Company shall have a right but not an obligation to repurchase call options at market value (cash settlement), if this is deemed financially, administratively or practically justified.
- (k) The Board of Directors shall, within the terms and conditions established hereby, be responsible for the more detailed structuring and management of the Scheme.

(B) Resolution to authorise the Board of Directors to pass a resolution to acquire the Company's own shares

In order to secure Beijer Ref's delivery of shares to the participants in LTI 2023/2026 as well as LTI 2021/2024 and LTI 2022/2025 due to recalculation carried out as a result of the Rights Issue, and possible future incentive programs and, in terms of liquidity, hedge payments of future social security contributions related to delivery of shares, the Board of Directors proposes that the Annual General Meeting shall, before the Annual General Meeting 2024, pass a resolution to authorise the Board of Directors to acquire up to 1,823,850 class B

shares in the Company. Acquisitions shall take place at Nasdaq Stockholm in accordance with Nasdaq Stockholm's rulebook at a price within the price range registered at any time, which means the range between the highest buy rate and the lowest sell rate. Acquisitions shall be paid for in cash and may take place on one or more occasions.

(C) Resolution to approve of the transfer of shares to participants in the Scheme

The Board of Directors' proposal also includes that the Annual General Meeting shall approve that the Board of Directors, with deviation from the preferential rights of shareholders, may transfer up to 1,628,000 of the Company's class B shares to participants in the Scheme following exercise of the call options, in accordance with the terms of the call options. The reason for the deviation from the preferential rights of shareholders is to give Beijer Ref the opportunity to deliver shares in the Company to the participants in the Scheme and possible future incentive programs.

Since the initiation of LTI 2023/2026 is not expected to give rise to any costs for social security contributions of Beijer Ref (and since a resolution on transfer is valid only until the next Annual General Meeting), the Board of Directors has decided not to propose that the Annual General Meeting 2023 resolves on transfer of the Company's own shares on a regulated market for in terms of liquidity, hedge payments of future social security contributions. However, before any transfers of Beijer Ref shares to participants in LTI 2023/2026 can be made, the Board of Directors intends to propose to a later General Meetings to resolve on transfers of the Company's own shares on a regulated marked in order to hedge such payments.

Dilution, costs and effect on important key indicators

The Scheme does not involve any dilution for existing shareholders as it is based on call options in respect of shares already issued in the Company. The costs of the Scheme consist of the subsidy that will be paid in connection with the transfer of the call options as described above, the social security contributions incurred for this subsidy and the cost of financing the repurchased shares. The total cost for the subsidy is estimated to be approximately SEK 18,315,000 (before corporate tax, and SEK 12,591,562 after corporate tax) over the term of the Scheme. Against the subsidy, the option premium corresponds to a total of approximately SEK 36,630,000, which the Company receives for the sale and transfer of the call options. All information is calculated based on a share price of SEK 164. The Company's financing cost for the repurchase of shares is estimated to be approximately SEK 291,816,000 after corporate tax. Other costs mainly relate to calculated social security contributions, which are hedged through the repurchase of shares.

During its term, the Scheme will have a positive effect on the key indicator profit per share because of the Company's repurchasing of shares and a negative effect on the same key indicator because of the costs described above. The net effect on the key indicator profit per share will be insignificant during the term of the Scheme and will disappear entirely after its conclusion. Otherwise, it is also assessed that the Scheme will have only an insignificant effect on important key indicators.

Hedging

In order to secure delivery of shares and to cover administrative costs, mainly costs for social security contributions, the Board of Directors proposes to resolve on repurchase of shares, and to resolve on transfer of shares to participants in LTI 2023/2026 in accordance with section B and C above.

Other share based incentive programs

The Company has two ongoing share based incentive schemes, LTI 2021/2024, expiring in June 2024 and LTI 2022/2025, expiring in June 2025. LTI 2021/2024 and LTI 2022/2025 are in all major respects similar to the proposed LTI 2023/2026 and have been subject to recalculation due to the Rights Issue. LTI 2021/2024 includes, after recalculation, call options for 1,623,600 class B shares at an exercise price of SEK 150.40 per share and LTI 2022/2025 includes, after recalculation, call options for 530,750 class B shares at an exercise price of SEK 148.40 per share. The Schemes jointly corresponds to 0.42 per cent of the shares of the Company (shares held by the Company included) and 0.28 per cent of the votes, but entail no dilution for existing shareholders.²

Reason for the Scheme and its preparation

The Board of Directors' reason for the implementation of the Scheme is to provide executives within the Beijer Ref Group the opportunity through a personal investment to take part in and strive to achieve a positive value growth in the Company's shares and thereby achieve a greater shared interest between them and the Company's shareholders. The intention of the Scheme is also to contribute to executives in the long term increasing their shareholding in the Company. The Scheme is also expected to create conditions for retaining and recruiting competent personnel in the Beijer Ref Group, to provide competitive compensation and to unite the interests of shareholders and executives. The Board of Directors considers the Scheme to be reasonable in its scope and cost-efficiency. The executives covered by the Scheme is the group that, in an otherwise strongly decentralised organisation, has an opportunity to create a positive impact on profits through collaboration between the Group's subsidiaries. Against this background, the Board of Directors believes that the introduction of the Scheme will have a positive effect on the Beijer Ref Group's continued development and that the Scheme will be of benefit to both the shareholders and the Company.

The proposal for the Scheme has been prepared by the Company's Remuneration Committee and the Board of Directors. The decision to propose the Scheme to the Annual General Meeting was made by the Board of Directors. Members of the Company's Board of Directors are not covered by the Scheme.

Majority requirement

The Board of Directors' proposal in accordance with points (A)-(C) above shall be adopted as a joint resolution under application of the majority rules in Chapter 16 of the Swedish Companies Act, which means that shareholders with at least nine tenths of both votes submitted and shares represented at the Meeting must vote for the resolution.

Malmö, March 2023
The Board of Directors
Beijer Ref AB (publ)

² Based on the total number of shares in Beijer Ref amounting to 509,085,926 and the total number of votes in Beijer Ref amounting to 760,691,366 after the Rights Issue has been completed.